Received: 09/30/2004

Status: CANCELLED Effective Date: 10/01/2004

PSC No: 88 - Gas Leaf No. 60 NEW YORK STATE ELECTRIC & GAS CORPORATION Revision: 7 Initial Effective Date: 10/01/04 Superseding Revision: 6

SERVICE CLASSIFICATION NO. 2 (CONT'D)

<u>INTERRUPTIBLE TRANSPORTATION SERVICE</u> (CONT'D)

PRICE: (Per Month) (Cont'd)

C. Research and Development (R&D) Adjustment:

The charges set forth herein will be subject to a R&D Adjustment per Therm of gas delivered as explained in Section 18 of PSC No. 90 Gas, or superceding issues thereof.

NOTIFICATION OF PRICE:

The Interruptible Transportation Rate Statement will be filed with the PSC no later than three (3) days before the effective date. Such statement will be readily accessible to the public.

MINIMUM CHARGE:

Shall be the Transportation Administration Charge.

INCREASES IN PRICES AND CHARGES APPLICABLE WHERE SERVICE IS SUPPLIED:

The prices and charges under this service classification, including the Minimu m Charge, will be increased by a surcharge pursuant to General Information Section 3 of this Schedule to reflect the tax rates applicable within the municipality where the Customer takes service.

TERMS OF PAYMENT:

Billing and payment for service provided under this service classification shall be in accordance with General Information Section 4.N. of this Schedule.

TERM:

Term shall be defined within the Transportation Service Agreement and mutually agreed upon by the Customer and the Company.

GENERAL TERMS AND CONDITIONS OF SERVICE:

To the extent not inconsistent with the provisions of this service classification, service hereunder is provided in accordance with the General Information Sections of this Schedule.

Issued in compliance with Order in Case 01-G-1668 dated September 23, 2004

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York